



November 1, 2005

INFORMATION REQUEST OR TRANSMITTAL NO. 05-05 Rev C

TO: Division Chief, Acquisition Management I Division
Division Chief, Acquisition Management II Division
Division Chief, Acquisition Management III Division
Division Chief, Administrative Services Division
Division Chief, Customer Relations Division
Division Chief, Acquisition and Property Management Division

FROM: David Sutfin
Assistant Director, NBC/GovWorks Acquisition Directorate

SUBJECT: Department of Interior (DOI) Emergency Procurement Authorities

PURPOSE: This transmittal provides DOI's policy that increased procurement thresholds for the Hurricane Katrina relief efforts.

EFFECTIVE DATE:

Effective upon issuance and will remain in effect until canceled, amended or otherwise superseded.

SCOPE: This transmittal applies to all NBC/GovWorks acquisition personnel.

BACKGROUND AND DISCUSSION:

The DOI issued a Determination and Findings (D&F) on September 6, 2005, authorizing the use of emergency procurement authorities in support of Hurricane Katrina relief efforts. The procurement thresholds were increased as follows:

1. Micro purchase threshold is increased to \$15,000 (FAR 13.201(g)(1)(i));
2. Simplified acquisition threshold is increased to \$250,000 (FAR 2.101);
3. Test program for commercial items threshold is increased to \$10 million (FAR 13.500(e)).

Contracting personnel are requested to include the following annotation in the Description line of applicable transaction reports: "**Disaster Relief Support.**" The Determination and Findings (D&F) issued by the DOI that authorized increases in the procurement threshold is included as Attachment 1 to this memorandum.

QUESTIONS OR CONCERNS REGARDING THE IRT:

The point of contact for this IRT is Chief, Policy Division (703) 787-1537.

Attachment 1: D&F - DOI

ATTACHMENT 1

**United States
Department of the Interior
Determination and Findings**

FINDINGS

1. The Secretary of Defense has determined that as a result of the widespread devastation resulting from Hurricane Katrina, circumstances exist that warrant exercise of authority in accordance with 41 USC 428a, Special emergency procurement authority.
2. 41 USC 428a (a) allows the head of an executive agency to exercise 41 USC 428a's authorities as they apply with respect to any procurement of property or services by or for an executive agency to be used:
 - (a) in support of a contingency operation; or
 - (b) to facilitate the defense against or recovery from nuclear, biological, chemical, or radiological attack against the United States.

DETERMINATION

1. Based on:
 - A. Department of Defense directives issued during the week of August 29, 2005;
 - B. Department of the Interior consultation with the Office of Federal Procurement Policy;
 - C. Actions taken to date by the General Services Administration with regard to increasing procurement thresholds as identified in 41 USC 428a(b) and (c), to support any agency or instrumentality of the United States in recovery efforts related to Hurricane Katrina; and
2. Pursuant to the authority delegated me under Part 209, Chapter 4 of the Department of the Interior Departmental Manual I, and subject to the requirements contained in the Appendix to this Determination and Findings, I hereby authorize increasing the following procurement thresholds for all Department of the Interior contracting activities in accordance with 41 USC 428a(b) and(c), *except for* construction subject to the Davis-Bacon Act, 40 USC 276 *and limited to* direct response to the current Hurricane Katrina disaster relief operations:
 - (1) Micropurchases: \$15,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States (Federal Acquisition Regulation (FAR Part 13);

(2) Simplified Acquisition: \$250,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States (FAR Part 13); and

(3) Simplified Acquisitions Under the Test Program for Certain Commercial Items: \$10,000,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States (FAR Part 13).

3. The Federal Procurement Data System – Next Generation’s Governmentwide \$2,500 procurement transaction reporting threshold remains in force. Contracting personnel shall include the following annotation in the Description line of applicable transaction reports: “Disaster Relief Support.”

4. These increased procurement thresholds are temporary and shall remain in effect until the disaster relief efforts related to Hurricane Katrina are formally terminated.

Signed P. Lynn Scarlett

September 6, 2005

P. Lynn Scarlett
Assistant Secretary – Policy,
Management and Budget

Date

Appendix

GUIDELINES FOR IMPLEMENTING INCREASED PROCUREMENT THRESHOLDS IN SUPPORT OF DISASTER RELIEF EFFORTS RESULTING FROM HURRICANE KATRINA

Purchases using these temporary procurement authorities must have a clear and direct relationship to the current disaster relief operations. Consequently, you must make your determination(s) in writing by a brief [emphasis added] memorandum to the contract file specifying the product or service being procured and its relationship to the response to Hurricane Katrina. In addition, the Federal Procurement Data System – Next Generation’s Governmentwide \$2,500 procurement transaction reporting threshold remains in force. Contracting personnel shall include the following annotation in the Description line of applicable transaction reports: “Disaster Relief Support.”

If you are a micro-purchase card holder and your supervisor increases your purchase card authority to \$15K, no additional documents are required.

If you have a warrant that limits your authority to the Simplified Acquisition Threshold, no further action is required to contract at the higher dollar threshold of \$250K.

If you have a warrant that limits your authority to a specified dollar amount, an interim warrant should be issued to increase the amount of your authority to the new thresholds.

Remember, we have many tools in our tool chest to address requirements. While requirements may dictate limiting competition, where limited competition can be accomplished in meeting requirements it should be (see Department of the Interior Acquisition Policy Release 2005 -5, dated September 1, 2005, Departmental Class Justification and Approval to Limit Competition and Waiver of Publication Requirements for Acquisitions in Response to Hurricane Katrina). Also, as we choose suppliers keep in mind our small business goals and the fact that small businesses can play an important part in meeting our customer agency requirements.

Increases in the purchase card authority for micro-purchase card holders and for contracting officers must be coordinated through your bureau/office A/OPC on an individual basis.

FREQUENTLY ASKED QUESTIONS

Q: Do the new thresholds apply to purchases in support of non-disaster relief efforts?

A: No, the increases in the thresholds are limited to purchases in support of agencies in the disaster relief efforts.

Q: Does a micro-purchase card holder have to have a warrant to make purchases for good or services over \$2,500 up to \$15K?

A: No, no warrant is necessary, the designation as a micro-purchase card holder and the increase in the purchase card dollar limitation are sufficient.

Q: Does the increased threshold include construction up to \$15K?

A: No, construction purchases on the purchase card are still limited to \$2,000.

Q: Are there any other limitations on purchases up to \$15K using the purchase card?

A: No, there are no other new limitations. Records are still required to be kept. Review by the approving authority is still required monthly. Purchases above the \$2,500 threshold are limited to government requirements in support of disaster recovery.

Q: Do contracting officers assigned to support another bureau have to be issued a new warrant?

A: No, they do not need to be issued a new warrant. However, the purpose of a warrant is to provide information to vendors regarding the actual authority of the warrant holder. If a new warrant is not issued, a letter of designation, or some other indicia of actual authority, needs to be provided to the contracting officer.

Practically speaking, it will prove to be simpler to issue all contracting officers working for another bureau a new temporary warrant, stating the dollar level limitations if any of the contracting officer and that this delegation is effective until revoked.